



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 22, 2008

Frank Ginton
Black Sands Holding Company
2939 South Tamarac Street
Denver, Colorado 80231

Re: Denial of Request to Close File, Black Sands Holding Company; Black Sands 47281 and 47288, Mines; [REDACTED] and S0470086; Uintah County, Utah

Dear Mr. Ginton:

On June 06, 2008, we received your request to inspect and close the Black Sands files. This letter is to notify you that your request is being denied. Oral Communication with SITLA notes that previous Company representatives for Black Sands Holdings drilled holes which, according to an inspection performed by SITLA, have never been properly plugged. Therefore, we are unable to release the bond for these sites at this time.

It should be noted that on SITLA lease Black Sands 47278, DOGM Permit number S0470082, photos DO NOT represent the location on the ground that was leased from SITLA. The photos are of an area of private ground not leased by Black Sands Holdings, but was represented by Black Sands Holdings to DOGM in 2006 as the "SITLA lease site". It is our recommendation that you verify the actual location of the lease, plug the drill holes and reclaim the site, including but not limited to remove trash, regrade the site to natural contour, spread topsoil, implement a noxious weed program, and apply seed mix until the revegetation standard is achieved.

Permit fees are now due. The annual fees are payable within 30 days. Another billing statement is enclosed for this purpose. When the site meets the required reclamation standards, you may again notify us in writing requesting release of the project.

If you have any questions or concerns regarding this action, please contact me at (801) 538-5320 or Leslie Heppler (801) 538-5257. We hope the site will be ready for release this coming spring.

Sincerely,

Dana Dean, P.E.
Associate Director - Mining

DD:lah:eb

Enclosure: Billing Statements, Inspection Reports

TASK # 2453, 2455

cc: SITLA - Will Stokes

P:\GROUPS\MINERALS\WP\M047-Uintah\S0470081-BlackSands47287\final\deny-release_S0450057.doc





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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

BLACK SANDS HOLDING CO
2939 S TAMARAC ST
DENVER CO 80231

ATTENTION: FRANK GLINTON

ANNUAL PERMIT FEE

Annual Permit Fees for July 2008 thru June 2009

SITE NAME	PERMIT ID	ACRES	BILLING DATE
BLACK SANDS 47281	S470084	NA	06/20/2007
PERMIT TYPE	PERMIT STATUS		
SMALL MINING OPERATION < 5 ACRES	ACTIVE		
			ANNUAL FEE
			\$ 150

DUE DATE	AMOUNT DUE
07/25/2008	\$ 150

Please retain this portion for your records. For billing information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED	PROJECT NAME	PERMIT ID
BLACK SANDS HOLDING CO	BLACK SANDS 47281	S470084

DUE DATE	ANNUAL FEE	AMOUNT DUE
07/25/2008	\$ 150	\$ 150

<input type="checkbox"/> FEE ENCLOSED	<input type="checkbox"/> FEE NOT ENCLOSED*
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*Failure to pay fees required by the R647 Mineral Rules will result in Withdrawal of the approved Notice of Intention. No mining/exploration activities can occur on the site after the Fee Due Date until the annual permit fees are paid.

If reclamation is complete, the fee may not be required, but a request to inspect and close out the site must be submitted to the Division on form MR-SITE.

Forms and other permit-related information are available on the Web at <http://ogm.utah.gov/minerals> or you can call (801) 538-5291 for more information.

DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
SALT LAKE CITY UT 84114-5801

Please make check payable to:
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BLACK SANDS HOLDING CO
2939 S TAMARAC ST
DENVER CO 80231

ATTENTION: ALAN PROPP

ANNUAL PERMIT FEE

Annual Permit Fees for July 2008 thru June 2009

SITE NAME	PERMIT ID	ACRES	BILLING DATE
BLACK SANDS 47288	S470086	NA	06/20/2007
PERMIT TYPE	PERMIT STATUS	ANNUAL FEE	
SMALL MINING OPERATION < 5 ACRES	ACTIVE	\$ 150	

DUE DATE	AMOUNT DUE
07/25/2008	\$ 150

Please retain this portion for your records. For billing Information call (801) 538-5291

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ACCOUNT BILLED	PROJECT NAME	PERMIT ID
BLACK SANDS HOLDING CO	BLACK SANDS 47288	S470086

DUE DATE	ANNUAL FEE	AMOUNT DUE
07/25/2008	\$ 150	\$ 150

<input type="checkbox"/> FEE ENCLOSED	<input type="checkbox"/> FEE NOT ENCLOSED*
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